G. R. S. IX-5]

Previous references

65-15.9,1-7 B for June 1920

1920.

(9-7)

File No. 88-20

Serial Nos. 1, 2

Later references.

~~2.88~~-20-3

Reserve

25.10.20

GENERAL AND REVENUE SECRETARIAT.

6/6

Serial Nos. 2

Part B for October 1920.

SUBJECT.

The Branch secy. General Assurance Society Ltd Bangalore city

Sl 1. Forwards for perusal the draft prospectus of the Mysore Stock exchange proposed to be started and solicits advice in the matter

Sl 2. States that the proposals will be favourably considered if approved by the Mysore Chamber of Commerce.

WD 788—GPB—5,000—7-11-19

88/20/11

GENERAL AND REVENUE SECRETARIAT.

(98 .)

NOTES.

File No. 88-20

FILE HEADING.

Establishment of a ~~the~~ Mysore Stock Exchange.

From

The Branch Secretary, General Assurance Society Ltd, Chamaraj pet. Bd. city

No. Letter Dated 17. 9. 20 Received 8. 10. 20

Diary No. 1883	Enclos. . Spare Copies.	Serial No. /

BRIEF ABSTRACT OF LETTER.

Forwards for perusal the draft prospectus of the Mysore Stock Exchange proposed to be started in Mysore and Solicits advice in the matter.

NOTES AND ORDERS

1. The file re the proposal for Establishing a market for shares and Securities in Bangalore & put up.

Attention is invited to Serial 7. containing the opinion of the Secy. I. C. committee in the opening of share market. Attention is also invited to the

G. R. S. III-2.

General and Revenue Secretariat. | File No. 88 — of 19 20.

Serial No.

FINANCIAL SECRETARIAT
16 OCT 1920
BANGALORE.

Opinion of the Fin. Secy. vide ¶ 2 : 28/2/19 (from page 28) stating that if the commercial community desire it Govt. may show such reasonable consideration as the conditions of the scheme may deserve.

Subsequent Papers may be put up as directed in ¶ 16/10. The applicant may be asked to address the Dte. Board

Secy, 18/10/20

1505 17/10

3. We do not know of Mr R.D. Thirupathi capable of organising the Exchange and in view of the advice of the late Sir Shapurji Broacha and the reiterated opinion of the Board of Industries and Commerce it is not desirable for Govt to express any advice on the proposal. I think Mr. Thirupathi may be informed that the proposal is for consideration by the Commercial Community and that he may submit his proposal to the Mysore Chamber of Commerce

Dewan) 17-10-20

OFFICE.
18 OCT 1920
No. 3302

4. We may take cognizance of his proposals if referred by Mysore Chamber of Commerce will be favourably considered by Govt.

5. Inform accordingly

Secy. Send with draft for approval 19.10.20 Secy

Secy 18.10.20 Secy 18/10

NOTE.—Contn. sheet.

G. R. S. III-2,

General and Revenue Secretariat. | G.7 File No. 88 of 1920.

Serial No.	
2	1. To. The Branch Secy Govt Agrn Society Ltd H 2932 dy 23. 10. 20 States that the proposals will be favourably considered by govt if supported by the Mysore chamber of commerce.

NOTE—Contn. sheet.

Dairy No. 6883
1920 — 1921
Section. G7
File No. 88-20
Serial No: 1

To.

The Financial Secretary,
The Government of Mysore,
Bangalore.

2 OCT 1920

Sir,

11124

I have herein enclosed the draft prospectus of the [illegible] Stock Exchange proposed to be started in the very near future for your kind perusal and consideration.

I have also sent the prospectus to the Chamber of Commerce and they have directed me in their letter No.319 dated 8th inst. to approach you in the matter and they have sent me the extract of your communication to them which runs as under:-

> " Establishment of a Share Market in Bangalore.- In response to a communication received from the Financial Secretary to the Government of Mysore, on the above subject, your Committee have expressed their opinion that though somewhat doubtful as to the need of such a scheme at present, they will give the scheme every assistance and encouragement that lie in their power".

It is needless to state that there is an immediate necessity for such an institution as this since there are more than half a dozen dividend-yielding concerns in our state; besides this, there are Government Loans for the immediate negotiations. It has been brought to the notice of several that the poor holders of these loan bonds and other scrips have suffered a good deal at the hands of a few greedy persons in selling their holdings at a very low price offered to them.

To popularize the loan bonds or the scrips of other Industrial concerns to be started or already started this Institution will be the only medium without which the country will never be prosperous in matters- Industrial or Commercial.

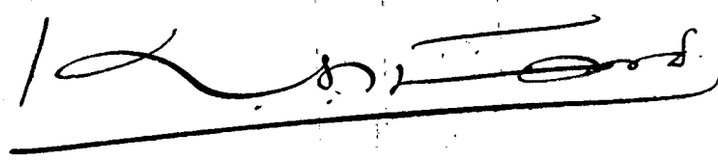
I have also drafted the rules and regulations of the Stock Exchange which shall be presented for approval of the members of the Stock Exchange as soon as the members are admitted.

It has been arranged to secure the sympathy and co-operation of all the existing Stock Exchanges in India.

In conclusion I beg to request you to kindly let me know as to your advice in the matter at your earliest convenience.

Awaiting the favor of your early compliance and thanking you in anticipation,

Yours faithfully,



Bangalore City,
I7th Sept. I920.

From:-

K.S.Thirupathi,
Branch Secretary,
The General Assurance Society,Ltd.,
Chamarajendrapet, Bangalore City.

T H E M Y S O R E S T O C K E X C H A N G E.

Bangalore city.

ill be opened shortly at

for transaction of business in stocks, shares and public securities.

Board of Directors.

1. Chairman.
2. Vice-Chairman.
3.
4.
5.
6.
7.
8. M.Srinivasa Rao Esqr., B.A., L.L.B., Advocate, Bangalore.
9. K.S.Thirupathi, Esqr., F.C.I., Hon. Secretary.

B A N K E R S.

The Bank of Mysore, Limited.

Admission fee Rs.600/-

payable Rs.250/- with application; the balance on election of the applicant to membership.

P r o s p e c t u s.

The history of the Stock Exchange as we know it is inseperably bound up with the growth of Government Debts in negotiable form and the development of Joint-Stock Companies. It took - - - centuries to discover the most suitable medium of exchange and measure of value in the shape of coins which can be passed from hand to hand and it was not until many centuries later that the idea of making capital and debts circulate in the shape of interest bearing paper came to be acted upon. Once this was devised it required only a sufficient quantity of such interest bearing papers and a sufficient number of capitalists desirous of acquiring and in turn selling and exchanging such securities to bring into beings regular market for transactions of business therein. The purchasers of shares are divided into three classes (1) The better class of solid capitalists who do not worry much regarding quotation, but hold for dividend, (2) Merchants who buy shares in the hope that they may later on be able to sell them at a profit, (3) Speculators who frequently remain in debt as regards the purchasing money and are compelled to " continue" their bargains. It is impossible to gauge the worth of the interest bearing securities of Joint-Stock Companies anywhere unless they are made negotiable in a Stock-Exchange. It goes without saying that a country can never be prosperous either commercially or industrially without a Stock Exchange.

Commercial and Industrial enterprise and more specially those carried on on the Joint Stock principle and the public - - - securities owe an impetus if there were a market where the various stocks, shares and securities can be readily bought and sold- as in a Stock Exchange.

According to an eminent English Authority " The business of the Stock Exchange may be described as the business of businesses the institution may be defined as the nerve-centre of the politics and finances of nations, because in this mere market all that makes history is focussed and finds immediate expression. It is worthy of being defined as the barometer of their prosperity and adversity for a glance at the tone of this market, those wares are more - - - mercurial than those of any other mart, suffices to indicate their condition"

It may be casually mentioned here that Bombay has got two Exchanges, Calcutta one, Ahmedabad three, Surat one, Virangaon one, Madras one. The membership tickets of Bombay, Calcutta & Ahmedabad Stock Exchanges are scacely available even at fabulous prices of eight times their original purchase value. Even such a recent - - Stock Exchange as one of Madras was overfloded with applications for membership. Baroda is said to be contemplating the organisation of a Stock Exchange. Mysore the premier native state in British India is conspicuous by the very absence of a Stock Exchange.

In order to supply this long felt want of such a market - no mean a Stock Exchange, is intended to be provided in the projected " Mysore Stock Exchange" under the auspices of the investing public and the state with the co-operation of the would-be certified brokers. It is hoped this market would be a nucleus in the creation of a brilliant era of indsustrial development in the Mysore State which has great potentialities. The membership will be limited to and only gentlemen of position and standing will be admitted hereto. This will create a class of " Certified Brokers" whom the investing public can safely trust in regard to transations in all securities, small or large private or public. The operations of the Stock-Exchange will be confined to such as the Directors may decide after consultation with a representative committee to be elected for the purposes by the members.

Admission will rest absolutely with the Board of Directors at their sole discretion and they shall not be bound to give reasons for their decisions, which shall be final. The deposit money of those whose applications are rejected will be returned in full, but without any interest or other claims.

As soon as the necessary number of applications has been received the Directors will consider and will within a reasonable time call a General Meeting of the successful candidates.

At the above meeting the appointment of Directors will be confirmed and the Directors will frame rules and regulations for the conduct of business in the Exchange and will submit the draft for approval to the General Body within a reasonable time.

ooooooo ooOooooooooo

G. R. S. VI—G/32] A217

SUBJECT:—

Diary No. of letter replied to

GENERAL AND REVENUE SECRETARIAT,
( )
, the *191* :

Date of issue 23/10/20

Signed by W R Srinivasa

Section G7
File No. 88-20
Serial No. 2

No. H 2933
& 23.10.20

To

The Branch Secretary Gen. Agt. Society H
Chamarajpet Bgl

Sir,

With reference to your letter dated 17.9.20 forwarding for consideration herein the draft prospectus of the Mysore Stock Exchange proposed to be started in Mysore and soliciting ~~advice in the matter~~, I am directed to state that the proposals will be favourably considered by Govt if supported by the Mysore Chamber

No H 2934 & 23/10

Copies — to Secy
Chamma
for info 24/10